



United States Department of Agriculture  
Risk Management Agency

February 2005

## 2005 COMMODITY INSURANCE FACT SHEET

# Sweet Potatoes

## North Carolina

### Crop Insured

Sweet potatoes of the Beauregard variety planted for harvest as roots for a fresh market crop and grown on insurable acreage may be insured. Insurance will not attach to any acreage on which sweet potatoes were planted in either of the 2 preceding years. Sweet potatoes must be grown by a person who has grown sweet potatoes for commercial sale three years out of the previous 5 years.

Your production guarantee will be reduced if your acreage planted for the current crop year exceeds 110 percent of the greatest number of acres planted in any one of the previous three crop years.

### Counties Available

Columbus	Cumberland	Duplin
Edgecombe	Greene	Harnett
Johnston	Lenoir	Nash
Sampson	Wake	Wayne
Wilson		

### Causes of Loss

Adverse weather conditions<sup>1</sup>  
Fire  
Insects<sup>2</sup>  
Plant disease<sup>2</sup>  
Wildlife

<sup>1</sup>Natural perils such as hail, frost, freeze, drought, and excessive precipitation. <sup>2</sup>But not damage due to insufficient or improper application of pest or disease control measures.

Note: This policy does not insure against damage occurring or becoming evident after sweet potatoes are placed in storage or the inability to market the crop due to quarantine, boycott, or refusal to accept production.

### Insurance Period

Coverage begins when the sweet potatoes are planted and ends at the earliest of: (1) total destruction of the crop, (2) harvest of the crop, (3) abandonment of the crop, (4) final adjustment of a loss, or (5) October 31, 2005.

### Definitions

**Production Guarantee**— Number of hundredweight (cwt.) guaranteed determined by multiplying your average yield (based on your records) times the coverage level percentage you elect.

**Price Election**— The price used to calculate your premium or indemnity. Price elections are posted on the RMA website at:

<http://www3.rma.usda.gov/apps/pricesinquiry/>

### Reporting Requirements

**Acreage Report**— You must report to your agent all acres of sweet potatoes in the county in which you have a share.

### Important Dates

Sales Closing .....	February 28, 2005
Final Planting.....	June 30, 2005
Acreage Report Due.....	July 15, 2005
Insurance Ends .....	October 31, 2005

### Price Election

\$13.00 per cwt.

## Coverage Levels and Premium Subsidies

The maximum coverage level for sweet potatoes is 60 percent of the approved APH yield. For example, an average yield of 140 cwt per acre results in a guarantee of 84 cwt. per acre at the 60-percent level. Crop insurance premiums are subsidized as shown in the following table. For example, if you selected the 60-percent coverage level, your premium share would be 36 percent of the base premium:

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55

Catastrophic (CAT) coverage is fixed at 50 percent of average yield and 55 percent of the price election. CAT coverage costs an administrative fee of \$100 per crop per county, regardless of acreage.

## Insurance Units

Only basic units are available for sweet potatoes. Optional unit division is not available.

## Late and Prevented Planting

These provisions are not applicable to sweet potatoes.

## Loss Example

This example is based on an average yield of 140 cwt. per acre, 65-percent coverage level, non-irrigated, and one basic unit.

140	Cwt. per acre average yield (APH)
x .60	Coverage level percentage
84	Cwt. per acre guarantee
- 10	Cwt. per acre actually produced
74	Cwt. per acre loss
x \$13	Price election
\$962	Gross indemnity per acre
- 20	Estimated premium per acre
<b>\$942</b>	<b>Net indemnity per acre</b>

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